

REQUEST FOR CONCEPTUAL APPROVAL

Fiscal Year [2014-2015]

TITLE OF PROPOSAL

Headquarters Consolidation

DIVISION PRIORITY NUMBER

PROGRAM IMPACTED

All

SUMMARY OF REQUEST *(including impact if request denied)*

This proposal will fulfill the BOE's mission to serve the public through fair, effective, and efficient tax administration by consolidating and expanding facilities for efficient and effective business operations. Funding is requested to relocate the BOE Headquarters (HQ) and annex facilities into a consolidated location. The BOE has outgrown the 450 N Street building, resulting in the need for four annex locations, which impacts revenue generation. Since all five HQ locations are near capacity, this will impact the BOE's ability to add staff to address legislative mandates for revenue collection and enforcement efforts. It is necessary to consolidate the BOE's current offices into a single location that is scalable for growth and allows for the most efficient and effective business operations. The Department of General Services estimates costs of \$500,000 for site search development and feasibility analyses in FY 2014-15; no costs for FY 2015-16 as this is part of the construction phase. The BOE estimates \$1,450,000 in one time moving costs in FY 2016-17.

BACKGROUND/HISTORY

The 450 N Street building was designed to house 2,200 employees. The BOE's HQ operations currently require office space for approximately 3,150 employees. As a result, the BOE has been forced to move approximately 25 percent of the HQ operations to four different annex locations throughout the greater Sacramento area. The BOE HQ average 3-year annual growth trend is 118 PYs per year. As of FY 2012-13, the BOE has exceeded the design capacity of the 450 N Street facility and four annex locations. In addition to the inability to accommodate PY growth, operating the BOE HQ from five different locations has increased the BOE's operational costs to support additional infrastructures, information technology, and telecommunications.

STATE LEVEL CONSIDERATIONS *(including impact to other departments)*

In FY 10-11 the BOE collected \$53.7 billion dollars, approximately 34 percent of the State's revenue to support state and local government programs affecting all California citizens either directly or indirectly. Consolidation of the 450 N Street building and annex locations will allow the BOE to generate and process revenue more efficiently, protect the health and safety of employees, eliminate inefficiencies associated with managing operations across multiple annex locations, and accommodate future short-term and long-term growth. This will ensure the BOE's ability to meet future directives by the Legislature to generate necessary revenue for the State.

JUSTIFICATION *(including link to Strategic Plan)*

This proposal is consistent with the BOE's Strategic Plan:

- Goal 3: Invest in a Skilled, Motivated, and Diverse Workforce
- Goal 4: Enhance Operational Effectiveness

COSTS AND BENEFITS (BUDGET YEAR ONLY – FISCAL YEAR [2013-14])

☒ New funding ☐ Continuation ☐ Redirection

COST	REVENUE <i>(if applicable)</i>
\$ 500,000 2014/15	\$ N/A
POSITIONS <i>(if applicable)</i>	COST SAVINGS <i>(if applicable)</i>
N/A	\$ N/A

PREPARED AND APPROVED

PREPARED BY	DIVISION CHIEF APPROVAL
Ashleigh Jennings	Christine Demes
AUTHOR'S TELEPHONE NUMBER	DATE
(916) 445-4452	March 22, 2013

ACTION

☐ Concept Approved ☐ Request Denied

EXECUTIVE DIRECTOR *(signature)*


Headquarters Consolidation Overview

FY 2014-15		FY 2015-16	FY 2016-17
Costs:	\$500,000	\$0	\$1,450,000
Tasks:	Site search development and feasibility analyses Submit Form 10 to DGS/DOF for approval Submit JLBC notification DGS negotiates for lease and construction start	Start construction	Initiate move